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107TH CONGRESS
2D SESSION

H. R. 4845

To amend XVIII of the Social Security Act to establish a Medicare demonstration project under which incentive payments are provided in certain areas in order to stabilize, maintain, or increase access to primary care services for individuals enrolled under part B of such title.

IN THE HOUSE OF REPRESENTATIVES

MAY 23, 2002

Mr. LARSEN of Washington introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To amend XVIII of the Social Security Act to establish a Medicare demonstration project under which incentive payments are provided in certain areas in order to stabilize, maintain, or increase access to primary care services for individuals enrolled under part B of such title.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Medicare Incentive Ac-
5 cess Act of 2002".

SEC. 2. INCENTIVE PAYMENT IN MEDICARE HEALTH PROFESSIONAL SHORTAGE AREAS DEMONSTRATION PROJECT.

Title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) is amended by adding at the end the following new section:

"INCENTIVE PAYMENTS IN MEDICARE HEALTH PROFESSIONAL SHORTAGE AREAS DEMONSTRATION PROJECT

"SEC. 1897. (a) ESTABLISHMENT.—

"(1) IN GENERAL.—The Secretary shall establish a demonstration project under which—

"(A) pursuant to paragraph (3), the Secretary designates areas in a State selected under paragraph (5) as medicare health professional shortage areas; and

"(B) an incentive payment is provided under part B to primary care physicians for each physician's service (as defined in section 1861(q)) that is furnished in a medicare health professional shortage area to an individual enrolled under such part.

"(2) PRIMARY CARE PHYSICIAN DEFINED.—For purposes of this section, the term 'primary care physician' has the meaning given such term for purposes of designating health professional shortage

areas under section 332(a) of the Public Health Service Act (42 U.S.C. 254e(a)).

"(3) DESIGNATION OF AREAS.—The Secretary shall designate an area in a State selected under paragraph (5) as a medicare health professional shortage area if the Secretary determines, using the methodology established under subsection (b)(1)(B), that individuals enrolled under part B and residing in the area have inadequate access to primary care physicians.

"(4) TERMS AND CONDITIONS.—

"(A) INCENTIVE PAYMENT IN ADDITION TO PAYMENT OTHERWISE MADE.—

"(i) IN GENERAL.—Subject to clause (ii), the incentive payment made under the demonstration project for a physician's service shall be in addition to the amount otherwise made for the service under part B.

"(ii) NO PAYMENTS UNDER THE INCENTIVE PAYMENT PROGRAM IN A DEMONSTRATION STATE DURING OPERATION OF THE DEMONSTRATION PROGRAM.—Subject to subparagraph (D), notwithstanding section 1833(m), during the operation of

1 the demonstration project in a State se-
2 lected under paragraph (5), the Secretary
3 may not make any incentive payment to
4 any physician under such section for any
5 service furnished in any part of such State,
6 regardless of—
7 "(I) whether the physician is eli-
8 gible for bonus payments under the
9 demonstration program; and
10 "(II) where the service was fur-
11 nished in the State.
12 "(B) AMOUNT OF INCENTIVE PAYMENT.—
13 The amount of the incentive payment for a phy-
14 sician's service furnished under the demonstra-
15 tion project shall be an amount equal to 40 per-
16 cent of the payment amount for the service
17 under part B.
18 "(C) NO EFFECT ON AMOUNT OF CO-
19 INSURANCE AN INDIVIDUAL IS REQUIRED TO
20 PAY.—The amount of any coinsurance that an
21 individual enrolled under part B is responsible
22 for paying with respect to a physicians' service
23 furnished to the individual shall be determined
24 as if this section had not been enacted.

"(D) NO EFFECT ON PAYMENTS TO CRITICAL ACCESS HOSPITALS.—The amount of payment for outpatient critical access services of a critical access hospital under section 1834(g) shall be determined as if this section had not been enacted.

"(5) DEMONSTRATION SITES.—The Secretary shall conduct the demonstration project in 5 States selected by the Secretary as demonstration sites.

"(6) AUTOMATION OF INCENTIVE PAYMENTS.—

"(A) IN GENERAL.—Under the demonstration project, incentive payments under paragraph (1)(B) to a primary care physician shall be made automatically to the physician rather than the physician being responsible for determining when a payment is required to be made under that paragraph.

"(B) INCENTIVE PAYMENT BASED ON ZIP CODES.—In order to comply with subparagraph (A), the Secretary shall establish procedures in which the amount of payment otherwise made for a physician's service is automatically increased by the amount of the incentive payment under the demonstration project if the service was furnished in any zip code that is entirely or

partially in a designated medicare health professional shortage area in a State selected under paragraph (5).

"(7) DURATION.—The demonstration project shall be conducted for a 3-year period. The period for establishing the methodology under subsection (b) shall not be counted for purposes determining such 3-year period.

"(b) ESTABLISHMENT OF METHODOLOGY FOR ASSISTING SECRETARY IN DESIGNATING MEDICARE HEALTH PROFESSIONAL SHORTAGE AREAS.—

"(1) IN GENERAL.—The Secretary shall select 1 or more Federal rural health research centers within the Health Resources Services Administration to establish a methodology to assist the Secretary in designating areas within the States selected under subsection (a)(5) as medicare health professional shortage areas pursuant to subsection (a)(3).

"(2) RULES FOR ESTABLISHING METHODOLOGY.—

"(A) IN GENERAL.—The methodology established under paragraph (1) shall address—

"(i) how to measure the percentage of the total population in an area that con-

sists of individuals enrolled under part B; and

"(ii) the appropriate ratio of such individuals to primary care physicians in an area in order to ensure that such individuals have adequate access to services furnished by such physicians.

"(B) METHODOLOGY MAY BE SIMILAR TO METHODOLOGIES USED UNDER THE PUBLIC HEALTH SERVICE ACT.—The methodology established under paragraph (1) may be similar to methodologies utilized by the Secretary for designating areas, and population groups within areas, as health professional shortage areas under section 332(a) of the Public Health Service Act (42 U.S.C. 254e(a)).

"(C) CONSULTATION.—The Federal rural health research centers selected under paragraph (1) shall consult with the State and local medical societies of the States selected under subsection (a)(5) in establishing the methodology under paragraph (1).

"(c) NO EFFECT ON DESIGNATION AS A HEALTH PROFESSIONAL SHORTAGE AREA.—Except as provided in subsection (a)(4)(A)(ii), the designation of an area as a

1 medicare health professional shortage area under sub-
2 section (a)(3) shall have no effect on the designation of
3 such area as a health professional shortage area under
4 section 332(a) of the Public Health Service Act (42 U.S.C.
5 254e(a)).

6 "(d) WAIVER AUTHORITY.—The Secretary may
7 waive such requirements of title XI and this title as may
8 be necessary for the purpose of carrying out the dem-
9 onstration project.

10 "(e) REPORT.—

11 "(1) IN GENERAL.—Not later than 6 months
12 after the completion of the demonstration project,
13 the Secretary shall submit to Congress a report on
14 such project.

15 "(2) CONTENTS.—The report submitted under
16 paragraph (1) shall contain—

17 "(A) an evaluation of whether the dem-
18 onstration project has had the effect of stabi-
19 lizing, maintaining, or increasing access of indi-
20 viduals enrolled under part B to physicians'
21 services furnished by primary care physicians,
22 including whether the amount of the incentive
23 payment is adequate to stabilize, maintain, or
24 increase such access and if not, then what
25 amount will;

"(B) a comparison of the effectiveness of the demonstration project in stabilizing, maintaining, or increasing such access with the effectiveness of other Federal, State, and local programs, such as the incentive program under section 1833(m), that are designed to stabilize, maintain, or increase such access;

"(C) recommendations for such legislation and administrative actions as the Secretary considers appropriate; and

"(D) any other items that the Secretary considers appropriate.

"(f) FUNDING.—

"(1) INCENTIVE PAYMENTS.—The Secretary shall use funds in the Federal Supplementary Medical Insurance Trust Fund under section 1841 to make the incentive payments under this section.

"(2) ESTABLISHMENT OF METHODOLOGY.—

"(A) IN GENERAL.—There is authorized to be appropriated $6,000,000 to establish the methodology under subsection (b)(1).

"(B) AVAILABILITY.—Any amounts appropriated pursuant to subparagraph (A) shall remain available until expended.".

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